

FINDINGS FROM A 2001 SURVEY OF NON-GROUP HEALTH INSURANCE SUBSCRIBERS IN MASSACHUSETTS

Method

Surveys were mailed to 2,500 Blue Cross Blue Shield (BCBS) and 2,500 Harvard Pilgrim Health Care (HPHC) nongroup policyholders in June 2001. These two insurers account for most of the nongroup market. 1,691, or 34%, of the surveys were returned.

To determine whether respondents were representative of all policyholders, the demographics for all BCBS and HPHC nongroup policyholders obtained from BCBS and HPHC were compared with the demographics for respondents. Sixty-eight percent of respondents were females compared with 61% of subscribers. More than half (58%) of respondents were 50 years of age and older compared with 46% of subscribers; few respondents (9%) or subscribers (15%) were under age 30. A much higher percent of respondents (80%) were nongroup subscribers for more than a year than were all subscribers (58%).

The following findings are based on an analysis of survey responses.

Demographics of Survey Respondents

Female: 68%

Male: 32%

Married: 43%

Previously married: 24%

Single: 33%

Respondents ranged in age from 19 to 88. The most common age group was 55-64 (45%). Females 55-64 accounted for a third (33%) of all respondents.

Median age: 53 years

Mean age: 50.5 years

53% live in households with annual incomes below \$40,000

47% live in households with annual incomes of \$40,000 or greater

46% of the respondents were retired, students, or not employed

54% were self-employed, employed part-time or employed full-time

Among those employed, only 13% worked for employers who offered health insurance. Some of the reasons these people declined employer coverage were coverage is minimal, waiting period, part-time status, and too expensive.

People from all 14 counties in the state responded, although the largest number of respondents were from Middlesex County (which is also the most populous county).

Survey Results

Type of Coverage

89% of respondents chose a health maintenance organization (HMO)

9% chose a preferred provider organization (PPO)

1% chose a point of service (POS) plan.

Who does the nongroup policy cover?

- 76% of policies covered the policyholder only
- 11% covered couples
- 13% covered families with one or two parents and children

Satisfaction with Coverage and Cost

- 76% were somewhat or very satisfied with the coverage provided by their plan. Only 9% were dissatisfied or very dissatisfied.
- 62% of respondents felt they were paying much too much and 31% considered their premiums a little too much.*

* Note: Both the mean and median age of respondents were over age 50, and since nongroup policies can be rated by age, the premium cost for these people would be greater than that for a younger subscriber. 46% of subscribers are over the age of 50, while 58% of respondents were over that age; therefore, more older people purchase nongroup coverage which increases the average cost of a policy.

Length of Coverage

- Most of respondents were long-term policyholders. 44% were covered under their nongroup policy for three years or more; 36% for 1-3 years; 20% for less than one year.
- A higher percent of self-employed policyholders (52%) had nongroup coverage for three years or more.

Coverage status prior to Non-group Coverage

- 88% had health insurance before their current nongroup coverage.
- More than half were covered through employment
26% through employer 33% through COBRA
- 16% had coverage through their families
- 16% previously had nongroup policies
- 21% of those employed full-time did not have previous coverage.
- 12% were previously uninsured and three-quarters of those people were uninsured for one year or longer.

Monthly Premium Cost**

Type of monthly premium	Monthly Cost
Median premium of all policies	\$416
Mean premium of all policies	\$449
Median premium for policies covering only the policyholder	\$340
Median premium for family coverage	\$751
Median premium for coverage of couples	\$768
Median premium for policy covering one parent and child(ren)	\$500
Median premium for HMOs	\$416
Median premium for PPOs	\$526

** Since the average age of respondents is somewhat higher than the average age of subscribers, the median premium amounts above are probably somewhat higher than the median premium cost of a nongroup policy.

Out-of-pocket Costs

- 67% estimated their out-of-pocket medical expenses to be under \$1,000
- 16% estimated they paid \$1,000-\$1,999
- 17% estimated they paid \$2,000 or more
- A higher percent of those with \$2,000+ out-of-pocket expenses rated their premiums as much too much (75% vs. 62%).

Denial of coverage

- 12% were denied approval for tests or treatments (e.g., chiropractic, colonoscopy, eye exam, physical therapy, prescription drugs, psychiatric visit). Although, 78% of these people had the test or treatment anyway.

Other types of coverage the respondent indicated they might choose

- More of the respondents would opt for a \$1,000 deductible than for catastrophic coverage (56% vs. 38%).
- Higher percents of those with household incomes of \$60,000 or greater would choose the above options (68% and 43%).